

FISCAL NOTE

HB 2587 - SB 2907

March 19, 1998

SUMMARY OF BILL: Requires health insurance plans and health maintenance organizations to maintain for twelve months a standing referral from a primary care provider to a specialist for an enrollee with a chronic or disabling condition. The primary care provider will not be required to see the enrollee following the initial referral until the beginning of the next plan year. The bill exempts the TennCare program.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact - Increase Expenditures - Exceeds \$100,000/ Health Industry*

Assumes that such a mandate will reduce the ability of managed care plans to control utilization with a resulting increase in cost. The amount of such increase cannot be determined but is estimated to exceed \$100,000.

There is no impact to TennCare, because the bill exempts the program from this mandate.

The bill would not directly impact the state employee plan or most local government health insurance plans, since federal law (ERISA) exempts self-insured plans.

*The impact on the health industry is included as required by Chapter 244 of the Public Acts of 1989.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director